

DR 98-043

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

1998/1999 Demand Side Management Program

Order NISI Approving Interim DSM Surcharges

O R D E R    N O.    23,215

May 17, 1999

On April 1, 1999, the New Hampshire Electric Cooperative, Inc. (NHEC) filed with the Commission a request to extend filing of its 1999/2000 Demand Side Management (DSM) Program from April 1, 1999 to October 1, 1999 or such other time as the Commission deems appropriate to allow NHEC to incorporate the initiatives of the Energy Efficiency Working Group (EEWG) in its filing. NHEC states that it remains committed to maintaining a vibrant DSM program that seeks to encourage maximum possible participation by members of all rate classes. NHEC proposes to continue to implement the ten existing DSM programs approved for the 1998/1999 program year during this period of extension. The purpose of the request is to allow NHEC to integrate initiatives supported by the EEWG into the filing. NHEC states that it is anticipated that the final report of the EEWG will be forthcoming in the near future and it is NHEC's desire to see maximum effort concentrated on achieving that goal.

Due to a larger than expected over-recovery balance, projected to be \$500,000 as of June 30, 1999, NHEC proposes to reduce its DSM surcharge rates effective July 1, 1999 on a

temporary basis until the annual program filing is made in accordance with the extension proposal above. Such modification to the surcharges will not result in any change to the program funding levels as previously approved. NHEC proposes to change its current DSM surcharge for its residential class from the current charge of \$0.00159 per kilowatt-hour (kWh) to \$0.00146 per kWh; for its general class from the current charge of \$0.00229 per kWh to a charge of \$0.00177 per kWh; and for its primary general class from a charge of \$0.00229 per kWh to a credit of \$0.00219 per kWh. As noted by NHEC, the Office of the Consumer Advocate and Commission Staff (Staff) concurred with the proposed course of action. At the time of the April 1, 1999 letter, two intervenors, the Conservation Law Foundation (CLF) and the Governor's Office of Energy and Community Services (ECS), had not yet taken a position on the request.

On April 14, 1999, NHEC filed a subsequent request to address the concerns expressed by CLF and ECS regarding certain aspects of NHEC's April 1, 1999 extension request. NHEC proposes a change in the DSM surcharge for the primary general rate class from the previously requested credit of \$0.00219 per kWh to \$0.00000 per kWh. This modification results in a change in total DSM expenses to be recovered from the primary general rate class from a credit of \$60,965 to \$0. This change reflects an increase of the total DSM expenses to be recovered from all customers from \$754,162 to \$815,127.

On April 29, 1999, the Commission issued a secretarial letter approving the request for extension.

On May 11, 1999, Staff filed a memo stating that it had reviewed NHEC's request and recommended that the Commission approve the interim DSM surcharges.

Based upon our review of the filing and Staff's recommendation, we will approve the changes to the current DSM surcharges as delineated in NHEC's April 14, 1999 letter. Through secretarial letter issued April 29, 1999, the Commission approved the filing extension to allow members of the EEWG, who would otherwise be participating in the NHEC DSM proceeding, to devote their efforts towards completing its work. However, it is necessary to revise the DSM surcharges to mitigate over/undercollections and to reflect forecasted sales.

Additionally, we waive the application of N.H. Admin. Rules, Puc 1203.05(a), which requires generally that rate changes be implemented on a service-rendered basis, and will allow NHEC to implement its DSM surcharges on a bills-rendered basis. This waiver, pursuant to Puc 201.05, produces a result consistent with the principles embodied in Puc 1203.05(b), which sets forth exceptions for allowing rate changes on a bills-rendered basis, and is in the public interest because it eliminates consumer confusion and reduces administrative costs.

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that the following interim DSM surcharges are APPROVED for effect July 1, 1999 on a bills-rendered basis: residential, \$0.00146 per kWh; general, \$0.00177 per kWh; and primary general, \$0.00000 per kWh; and it is

**FURTHER ORDERED**, that NHEC shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than May 24, 1999 and to be documented by affidavit filed with this office on or before June 1, 1999; and it is

**FURTHER ORDERED**, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than June 1, 1999; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than June 11, 1999; and it is

**FURTHER ORDERED**, that this Order Nisi shall be effective June 21, 1999, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

**FURTHER ORDERED**, that NHEC shall file a compliance tariff with the Commission on or before June 1, 1999, in

accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New  
Hampshire this seventeenth day of May, 1999.

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Douglas L. Patch  
Chairman

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Susan S. Geiger  
Commissioner

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Nancy Brockway  
Commissioner

Attested by:

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Thomas B. Getz  
Executive Director and Secretary